

## GENERAL CONDITIONS OF SALE

1. In these terms and conditions the following expressions shall have the following meanings:
  - a) "the Seller" means Franz Wilhelm Langguth Erben GmbH & Co. KG
  - b) "the Buyer" means the natural person or legal entity who places an order with the Seller.
  - c) "the Goods" means the items or articles the subject of the Order placed with the Seller.
  - d) "the Conditions" means the terms and conditions herein set out which shall govern the purchase and sale of the Goods.
  - e) "the Order" means the order placed by the Buyer with the Seller of supply of the Goods.
  - f) "the Contract" means the contract of sale concluded by placing an Order which is accepted by the Seller.
  
2.
  - a) NEITHER the Buyer nor the Seller shall be bound by any variation, waiver of or addition to the Conditions except as agreed by both parties in writing and signed on their behalf.
  - b) Any terms and conditions used by the Buyer in the course of its business shall not apply to the contract.
  - c) No statement or representation made at any time prior to the Contact shall be a term of the Contract or deemed to be an inducement or collateral contract pursuant to which the Buyer entered into the Contract.
  
3.
  - a) Delivery of the Goods shall be made at the date and time agreed between the parties and shall be at the expense of the Buyer (including transport insurance costs). The Seller shall be entitled to effect such insurance on behalf of the Buyer unless the Buyer has given contrary instructions in writing. The observance of the agreed date and time for delivery by the Seller presupposes that the Seller receives the Order and the respective call for deliver in due time from the Buyer. If the Seller requires the collaboration of or information from the Buyer, or if he is otherwise prevented from the delivery without negligence or intention, the time for delivery is considered to be extended for the period of prevention plus an adequate period after the end of the prevention. The Seller shall inform the Buyer of the prevention.
  - b) The term for delivery is deemed to be met, if the Goods have left the Seller's premises up to the date of the agreed upon term or if the Seller has notified the Buyer of their readiness for shipment by the Buyer. Partial deliveries are permitted to the extent that they are not unreasonable for the Buyer. The Seller is only in default after having received a written reminder from the Buyer. All reminders and time limits by the Buyer shall be in writing; time limits shall be at least twelve working days. Time for delivery by the Seller shall not be of the essence of the Contract.
  - c) If the Seller is responsible for a delay, any compensation for default shall be limited to 0.5 per cent per week, but not exceeding altogether 5.0 per cent of the invoice value of all delayed deliveries. These limitations shall not apply, if the delay has been caused intentionally or by gross negligence of the Seller. In this

case the compensation for default shall, however, be limited to the foreseeable damage typical for the type of contract.

c) If the Buyer, moreover, wishes to cancel the Contract due to the delay and/or request damages, he shall submit a written notice to the Seller setting an adequate term for further performance combined with the threat to reject the further performance after the effectless expiry of the term.

d) In the event of non-delivery of the whole or any portion of the goods caused beyond the Seller's control, the Seller shall inform the Buyer as soon as possible. Furthermore, the agreed upon time for delivery shall be extended appropriately.

e) If delivery is delayed due to any of the causes referred to in the foregoing paragraph by a period in excess of 6 month the Seller shall inform the Buyer as soon as possible and may cancel the undelivered portion of the Contract by notice in writing. He will, if applicable, reimburse the Buyer the Contract price already paid by the Buyer for the undelivered portion of the Contract.

f) In the event that a particular wine is no longer available the Seller shall be entitled to supply and deliver such wines as if considers in its absolute and unfettered discretion to be suitable in the same invoice value, provided such alternative delivery under the given circumstance is not unreasonable for the Buyer.

g) In the event that wines are to be supplied in accordance with a sample provided by the Buyer the Seller shall in its absolute and unfettered discretion be entitled to deliver wine whose quality shall be as near as possible to such sample unless the Buyer expressly notifies the Seller in writing when providing the sample that the wine to be supplied by the Seller must correspond exactly with such sample.

h) In the event that the Buyer delays in calling-off wine for more than 2 months the Seller shall be entitled to supply and deliver such similar wine as it considers in its absolute and unfettered discretion to be suitable, provided that such alternative delivery under the given circumstances is not unreasonable for the Buyer. If such alternative delivery is unreasonable, the Seller may charge the Buyer, beginning one week after the Buyer has been informed that the Goods are ready for shipment, all costs caused by the delay, in particular the storage costs, but not less than 0.5 per cent per month of the invoice value of the Goods to be delivered, unless the Buyer can show that the Seller's loss has been less.

4. a) Payment of the price of the Goods (ex cellar Traben-Trarbach) shall be made net in Euro within 60 days of despatch ("the Due Date") time for payment being of the essence of the Contract.

b) The Seller is entitled to interest on any unpaid purchase price from the Due Date until payment at the rate of 8 % per annum above the base interest rate of the ECB. The Seller's right to assert a claim on account of further damage is not excluded hereby.

c) Discounting costs, taxes, duties and interest charges shall be due for payment forthwith in cash.

5. Measurements, dimensions, weights, colours and other details contained in the Seller's catalogues, sales manuals, photographs, drawings, illustrations and price lists and the Seller's samples constitute only an approximate guideline and

do not form part of the Contract. The afore-mentioned details constitute neither an assurance of particular qualities nor present a guarantee. Particular guarantees shall be explicitly identified as such and confirmed by the Seller in writing. Without this written confirmation no such obligation shall be entered into.

Also, no warranty is given that the Goods will correspond exactly with the afore-mentioned details. The Goods are exclusively delivered in accordance with the written contractual stipulations explicitly agreed upon by the parties.

6. The Seller reserves the right to alter its price and quotations for Goods, which are to be delivered within a term of more than four months after conclusion of the Contract by notifying the Buyer accordingly.
7. The risk in the Goods shall pass to the buyer upon despatch of the Goods by the Seller for delivery to the Buyer in accordance with the provisions hereof and accordingly the Seller shall not be responsible for any damage to the Goods during transport. If the delivery is delayed due to reasons in the sphere of the Buyer, the risk shall pass to the Buyer at the agreed upon date of delivery.
- 8.a) NOTWITHSTANDING delivery the property in the goods shall not pass to the Buyer until the Buyer has paid in full the price of the goods the subject matter of this contract (“the value”) and all other outstanding amounts due to the Seller in respect of any other business transaction between the parties.
  - b) Furthermore until the value has been received by the Seller
    - i) The Buyer will hold the goods as bailee on behalf of the Seller and there shall accordingly subsist a fiduciary relationship in respect of the goods between the Buyer and the Seller
    - ii) The Buyer will store the goods in such a way that they can be readily identified as the property of the Seller
    - iii) Until payment as aforesaid the Buyer will take all necessary measures for the protection of the goods including insurance thereof against all usual risks with an insurance company approved by the Seller in the value.
    - iv) Subject to Clauses (v) and (vi) below the Buyer may sell the goods in the ordinary course of business. The goods shall be sold at such a price as well be sufficient to ensure the Seller receives the value from such resale. The Buyer shall keep records (to be produced to the Seller whenever required) of the name and address of the sub-purchaser and the date and contract price of each delivery. The Buyer assigns to the Seller all claims together with all ancillary rights to which the Buyer is entitled from the sale of the Goods. The assigned claims shall serve as security for the Seller’s claims against the Buyer according to clause 8 (a.).
    - v) The Seller may at any time revoke the Buyer’s power of sale by notice to the Buyer if the Buyer is in default for longer than 7 days in the payment of any sum whatsoever due to the Seller for whatever reason or if the Seller has serious doubts as to the solvency of the buyer
    - vi) The Buyer’s power of sale shall automatically cease if the Buyer becomes subject to liquidation bankruptcy or other insolvency proceedings or a receiver is appointed over any of the assets or the undertaking of the Buyer

or if the Buyer enters into any arrangements or compositions with its creditors.

(vii) Upon termination of the Buyer's power of sale under (v) or (vi) above the Buyer will place the goods at the disposal of the Seller.

c) The Seller shall be entitled to enter any premises of the Buyer for the purpose of removing the goods pursuant to the provisions hereof.

d) If any of the provisions of these Terms and Conditions of Sale should become ineffective, this provision shall be severed and shall not affect the validity of the remainder of the Terms and Conditions. The contracting parties shall negotiate to obtain a good faith amendment of the ineffective provision by wording reflecting most closely their economic intention.

9. (a) Exclusively on the basis of the provisions of the Contract the Seller warrants that the condition of the Goods corresponds with the agreed upon conditions.

(b) The statute of limitations for claims for material defects shall be twelve months. The period for the statute of limitation commences at the date of delivery.

(c) Claims regarding defects shall be excluded in cases of merely insubstantial deviations from the agreed upon conditions or in case of an only insubstantial impairment of the ability to use the Goods.

(d) The Seller, upon his choice, shall be allowed, in the first place, to perform the Contract by remedying the material defect by replacing the defective Goods. In case that the performance of the Contract is only possible at disproportional cost, the Seller shall be entitled to refuse the further performance. In this case the Buyer shall be entitled to claim a reasonable reduction in the Contract price. The Buyer shall only have the right to cancel the Contract in the case of significant default. Before cancelling the contract, the Buyer shall submit a written notice to the Seller setting an adequate term for further performance combined with the threat to reject the further performance.

(e) The further performance of the Contract by remedying the defect shall not lead to a new statutory period of limitations.

(f) The buyer's right to cancel the Contract or to reduce the Contract price shall persist, if the repeated attempts by the Seller to rectify the material defect finally failed, provided the Buyer submitted a written notice to the Seller setting an adequate term for further performance combined with the threat to reject the further performance.

(g) With regard to claims for damages and claims for reimbursement of extraordinary and additional expenditures clause 12 shall be applicable.

10. Any Goods alleged by the Buyer to be damaged or not to be of merchantable quality shall only form the subject of any claim whatsoever arising directly or indirectly of such alleged defects, if the Goods are returned to the Seller for examination.

11. The Buyer shall inspect the Goods immediately they are delivered and the signature of the buyer or of any person acting on its behalf on the delivery note shall be deemed to be an acknowledgement on the part of the Buyer that the Goods are of merchantable quality, undamaged and in accordance with the

Contract and the Seller shall not replace the Goods nor be under any liability to deliver any missing part thereof, unless the Buyer (a) states on the delivery note that the Goods or parts thereof are either damaged or missing and (b) notifies the Seller in writing within 4 days of the delivery of the Goods of the extent to which the Goods are damaged and/or missing. Any defects in the Goods which are not immediately obvious upon delivery despite careful examination must be notified by the Buyer to the Seller in writing as soon as they are discovered and in any event within twelve months after delivery. The responsibility of the Seller hereunder shall cease if the Goods are mixed with other wines or if the Goods are not handled or stored in accordance with trade usage.

12. (a) No claim under paragraph 9. hereof will be entertained by the Seller unless in addition to the Buyer's compliance with paragraph 11 hereof the Buyer makes the goods available for collection by the Seller in accordance with paragraph 10. so that the Seller can determine whether a claim under paragraph 9. is given.

(b) No Goods will be accepted for return without the proper agreement of the Seller and returned Goods must be properly and securely packed by the Buyer and accompanied by a detailed list giving the reasons for their return and the date and number of the Seller's invoice in which the Goods were charged.

13. Unless expressly stipulated in the Contract, claims on liability against the Seller for whatever reason shall be excluded. This exclusion of liability shall explicitly be applicable to damages not arising on the delivered Goods themselves.

The limit of the Seller's liability hereunder shall not exceed the price of undelivered Goods or Goods accepted back by the Seller under the terms hereof and the Seller shall under no circumstances be liable in contract or tort or otherwise for any indirect or consequential damage, loss or expense however caused whether to the Buyer or any other person or thing, whether arising directly or indirectly from the negligence of the Seller or anyone for whom the Seller is vicariously liable.

The exclusion of liability shall only apply as far as consistent with mandatory law; e.g., it shall not apply in the case of the taking over of a guarantee or risk of procurement, deadly body injuries, bodily harm or other injuries to health as well as the infringement of material contractual obligations. The damages for breach of material contractual obligations are, however, limited to foreseeable damages typical for the type of Contract, except in the event of intention or gross negligence. Claims for damages shall become time-barred within twelve months, however, in any case, no later than upon the expiry of the status of limitations according to paragraph 9. (b).

14. The Buyer shall not be entitled for any reason to refuse delay or fail to make payment in respect of all or any part of the price of the Goods sold or agreed to be sold by the Seller to the Buyer hereunder or to set off, withhold or deduct the whole or any part of such price by reason of or against any claims (whether arising under the Contract or otherwise) of the Buyer against the Seller or otherwise, which claims have not been acknowledged by the Seller in writing as

eligible for set off, withholding or deduction or which have not been decided upon with res judicata effect by a court.

15. The Seller shall have no liability in the event that the BAR-Code (EAN-Code) appearing on the label is illegible.
16. Where payment is made by means of a bill of exchange, cheque or other negotiable instrument the Seller shall not be deemed to have received payment until the bill of exchange, cheque or instrument has been honoured on presentation for payment, notwithstanding that the Seller may have negotiated it and received value therefore.
17. Any payments made by the Buyer generally on account and not otherwise appropriated by the Seller shall be appropriated to the Seller's unpaid invoices in their date order beginning with the earliest invoice.
18. Each delivery shall operate as a separate contract. Should the Buyer fail to pay on the Due Date the price of any delivery or should the Buyer file a petition for opening of insolvency proceedings, the Seller shall be entitled to suspend further deliveries or to vary by notice in writing with immediate effect the terms, if any, as to credit specified in the Contract or any other contract subsisting between the Seller and the Buyer due notice, may cancel the contract without prejudice to the Seller's right to demand payment for any Goods delivered or to demand the immediate return of the delivered Goods. These rights are without prejudice to the Seller's right to claim the payment of damages from the Buyer's breach of contract.
19. If the Buyer becomes insolvent or subject to a receiving order or y passes into liquidation (except for the purposes of reconstruction or amalgamation) the Contract shall thereupon terminate without prejudice to the Seller's right to payment of the price of delivered Goods and any damages it might suffer in consequence of such termination notwithstanding that such termination may have been implemented by the Seller.
20. The rights of the Seller shall not be prejudiced or restricted by any indulgence or forbearance extended to the Buyer and no waiver of any breach shall operate as a waiver of any subsequent breach.
21. The Buyer shall not assign its rights hereunder without the prior written consent of the Seller.
22. Any notice given shall be duly served on the parties if it is left at or sent by ordinary letter to the addresses last known to the other party. Any notice sent by mail shall be delivered on the day on which the letter would have been delivered in the ordinary course of mail.
23. The laws of the Federal Republic of Germany are applicable without giving effect to the choice of law principles and the United Nations Convention of

Contracts for the International Sale of Goods (CISG). Exclusive venue for all controversies shall be the Regional Court (Landgericht) Trier.